

CUTS Centre for Competition, Investment and Economic Regulation (CUTS CCIER)

Post Retreat (Mini Retreat) | 19 July 2005

The Post Retreat Mini Retreat of CUTS CCIER was organised on Tuesday, July 19, 2005 from 0800 hrs. The meeting lasted for approximately three hours, and was organised with the main purpose of reflecting on the comments/suggestions received on CUTS CCIER’s presentation at the CUTS Retreat 2005. Moreover, the discourse also tried to familiarise the CUTS CCIER team with the feedback received on the CUTS Institute for Regulatory Reforms presentation that was made at the CUTS Retreat. Other substantial issues were also discussed in the meeting. The following is a brief report of the meeting.

Present: PSM, MA, VRP, AP, SB3, RSG, NA2, RL, VB, SS2, BJ, AN

Date: 2005.07.19

Distribution: above + RDM, BC, NN (by e-mail)

Prior to this meeting, notes on ‘Comments on CUTS CCIER’s presentation at the CUTS Retreat 2005’ & ‘Comments on the presentation on CUTS Institute for Regulatory Reforms’ were circulated within the CUTS CCIER team members.

This report summarises the discussions that took place in the Post Retreat Mini Retreat of CUTS, and has been presented under the following sub-heads:

- A. CCIER’s presentation at the CUTS Retreat 2005.
- B. Discussion on CIRR
- C. Discussion on ‘Assessing the Impact of CUTS Activities’

A. Discussion on CUTS CCIER’s Presentation

Each of the points raised on the CUTS CCIER presentation was taken up separately for discussions, which has been captured in the following table for better comprehension and clarity.

Points Raised	Clarification	Remarks
What framework for collaboration does CCIER envisage for working with other CUTS Centres, on Programme Areas ¹ that fall within the purview of their activities as well. <i>E.g., Consumer Protection is an area of work of CUTS CART, whereas CUTS CCIER also has Consumer Policy as one of</i>	1. CART is engaged with Practice (Consumer action, redressal etc.), while CCIER’s work was on (Consumer) Policy issues at the national and international levels. So there was a clear line of demarcation. 2. The other area where some overlap was perceived was with CITEE in ‘Services’, under the	<u>Services under the GATS regime</u> <u>Mode 1:</u> Cross-border Supply <u>Mode 2:</u> Consumption abroad <u>Mode 3:</u> Commercial Presence <u>Mode 4:</u> Movement of Natural Persons

¹ Programme Areas: It had been decided in the CUTS Retreat 2005 that the *Functional Areas* of each of the CUTS Centre were indeed *Programme Areas*. And this understanding would be ingrained within the organisation henceforth.

<p><i>its functional areas. So what are the mechanisms for collaborations, if any?</i></p>	<p>GATS regime. However, it was clarified that while CITEE worked on Mode 4, the other three were under CCIER's work mandate. CCIER would work in close association with CITEE on this subject.</p>	
<p>Considering the fact that there is a big market for work on Sectoral Regulation, both within the country and outside, and that Management Consultants have also been engaged in these activities, what role does CUTS CCIER see itself playing in this field?</p>	<p>CCIER's approach to work on sectoral regulation consisted of studying the regulatory processes and institutions in the various countries; and also to undertake <i>Consumer Impact Assessment (CIA)</i> studies.</p> <p>This was totally different from what Management Consultants have been engaged in, i.e., either helping the business community to understand the implications of regulations for businesses; or helping the government in settings tariffs, etc.</p>	<p><u>CIA</u> is a new concept that CCIER is trying to develop, which encompasses assessing the impact on consumers (in terms of Price, Quality, Choice & Redressal) due to certain changes in the regulatory regimes.</p> <p>CCIER would develop a Concept Paper on the subject, and circulate it for comments, in order to develop the methodology.</p>
<p>CCIER envisages entering into business consultancy. How does it propose to address the conflicts of interest that might arise - - providing business consultancy to a business unit that is engaged in anti-competitive practices?</p>	<p>For CUTS, the primary objective is to safeguard Consumer Interests, and this would prevail, if such a situation arises.</p>	
<p>Not much detail is given about the 'Critical Issues' in the presentation. What solutions are envisaged for resolving the 'Critical Issues'?</p>	<p>There is in fact a slide in the presentation that details the 'Critical Issues', and the suggested measures to overcome (mitigate) them.</p> <p>In addition, the slides on Non-Achievement (What? Why? & How?) also depicts issues that are critical for the centre.</p>	<p>Need to have mentioned the Critical Issues upfront in the presentation.</p>
<p>What plans does the centre have for reviving the 'dormant areas', and by when does the centre think they would become fully functional, instead of remaining to be dormant?</p>	<p>As was detailed in the presentation, undertaking non-project activities (NPAs) periodically would be one of the ways for 'operationalising' the dormant areas. This would include writing papers, policy briefs, articles etc. from time to time.</p>	<p>An effort was made to identify the following NPAs:</p> <p><u>Policy Briefs</u> would be developed on:</p> <ol style="list-style-type: none"> 1. Investment Facilitation and Regulation in Developing Economies, 2. Consumer Protection in

		<p>Small Economies, 3. Civil Society Perception on FDI, 4. Services in the GATS regime.</p> <p><u>Projects:</u> CUTS CART would be asked to pursue the 'India Consumer Report'</p>
Neither the presentation, nor the Strategic Business Plan (SBP) 2005-09, mentions <u>explicitly</u> that CUTS CCIER works in close collaboration with other organisations, for example renowned institutions, affiliated bodies, and local partners in multi-country projects.	<p>Though the SBP 2005-09 mentions about the collaborations with outside organisations, the reference is not explicitly made.</p> <p>The point would be incorporated, while revising the SBP.</p>	
CCIER should <u>highlight</u> contributions made by other centres of CUTS in implementing some of its projects in the SBP.	This would be incorporated in the SBP.	
The Strategic Business Plan does not include 'Revenue Projections'.	This was not explicitly mentioned in the guidelines.	The revenue projection would be incorporated in the SBP.
The centre plans to 'stride towards achieving independence', so what are these <u>specific</u> strides envisaged as of present?	<p>1. The point of 'independence' was discussed at the CUTS Retreat 2005, and it was decided that instead of 'independence', 'autonomy' should be what the centres should strive to achieve.</p> <p>2. This is an evolving process, and CCIER is also undergoing this process, some specific steps forward could be enumerated as: i. Institutionalising the International Advisory Board, ii. Generating funds to achieve financial autonomy, iii. In the process of recruiting exclusive administrative staff for the Centre.</p>	
Was any consultation done with other CUTS centres while preparing the 'concept note' of the CIRR? Is there any concept paper on linkages between	The group felt that discussion on CIRR have been done to the extent necessary.	

International Regulation and Domestic Regulation issues?		
Why has CUTS CCIER not been able to leverage the recognition it received from UNCTAD for its activities on Investment	<p>UNCTAD itself has not been able to raise funds to undertake any work on investment issues, involving CSOs.</p> <p>It was felt that provided the fact 'Asia' has emerged as a Investment hotspot, donors could be pursued to initiate projects on the issue.</p>	PSM to discuss with Karl Sauvart (Head, Investment Division, UNCTAD) or Khalil Hamdani (Investment Division, UNCTAD) at an opportune moment
Why should the Centre not focus on Competition Policy and Law; and sectoral regulation only?	<p>CCIER has demonstrated its capacity to work on Investment and Consumer Policy issues, and therefore they have been retained as Programme Areas of the centre.</p> <p>Service (under the GATS regime) is a relevant topic and so its inclusion.</p>	The Centre is trying to activate these Programme Areas by undertaking NPAs.
What is the secret behind CUTS CCIER's excellent team work?	It was observed that there was no overtone of egotism in the team members, who worked unitedly for a common purpose. – perhaps we are revealing our secret here!	Let others also imbibe this...
What is the optimal level and composition of staff members for the centre?	Seven Programme Staff is considered 'optimal'. Given CCIER's current staff strength, there was scope for two more programme staff, subject to getting more projects.	
What is the meaning of 'optimal' level of competition and how does it gel along with 'regulation'?	<p>Competition can be ensured by several means, e.g., trade liberalisation, allowing a large number of players in the market etc.</p> <p>One of the purposes of an appropriate regulatory regime is to promote competition, among other things.</p> <p>Competition and Regulation are two sides of the same coin. Regulation comes in when competition is not feasible, to ensure competitive outcomes. This is how – Competition and Regulation are related, and not divergent...</p>	

CCIER should develop a team of experts who have worked with competition authorities, and use their expertise in providing consultancy and training on CPL issues to other developing countries.	This was a suggestion, and has been well taken. A register would be prepared for this purpose.	AP to supervise this.
There is a lot of demand for consultancy work on Competition Policy and Sectoral Regulation in the Competition Commissions of Tanzania, Mauritius & Malawi – how does the centre plan to address this?	The demand has to be generated from the respective competition authorities. CUTS ARC should follow up on this (as this was point was suggested by KSS).	RSG to write to KSS (CUTS ARC, Lusaka) to follow this up with the respective authorities.

B. Discussion on CIRR

The following points emerged from the discussion on the CIRR:

1. The plan is to make CIRR fully operational by 2008, i.e., when CUTS celebrates its Silver Jubilee – MA/VRP to develop a ‘Countdown Calendar’, with the targets and milestones enumerated in it.
2. Construction work etc. should start from the year 2006.
3. Regarding the name, there was a suggestion made to call it the CUTS Institute OR CUTS Institution. It was decided to take this matter up with the Founding Board Members
4. A lot of effort would have to be put to mobilise the requisite resources for getting the institution going. Some positive signs have been shown by the Ministry of Finance (GoI), which have to be followed up vigorously. There are chances that the Rajasthan Government would offer land for the institute at a concessional rate, or free of cost.
5. VRP would have to set a deadline for the developing the final proposal.
6. Efforts should be made to build up a core Faculty for the Institute, comprising of competent and highly qualified members.
7. An announcement for CIRR would only be made in FunComp/COLF and in the CUTS website, only when considerable progress is made on the project.
8. An Online Certificate Course could be considered to start off the initiative. This would also help to assess the demand for the kind of services that CIRR intends to offer.

C. Discussion on - Assessing the Impact of CUTS activities

The following is a summary of the discussions on the subject:

1. A note – ‘Assessing the Impact of CUTS Activities’ had already been prepared on the basis of the discussions in the CUTS Retreat 2005, and circulated internally for comments.
2. Subsequently, this note would be shared with a select group of outside acquaintances of CUTS.
3. On the basis of the feedback received on this note, a methodology for the assessment would be developed, including the questionnaire for the perception surveys.

4. It is being planned to get the first draft of the study ready by the end of this year.
5. It was observed that a lot of the internal research for the assessment would be done by reviewing the data already available in-house, e.g., ‘CUTS in Action’, ‘Visitors’ Book’, etc.
6. RSG to do this in consultation with BC & RDM.

D. Discussion on CCIER Mission Statement

There was a long discussion and debate on the suggested new Mission Statement of CUTS CCIER. It was unanimously felt that the present Mission Statement of CUTS CCIER was rather inward looking, and there was a need to rephrase a more outcome-oriented statement.

The following has been arrived at as the new (provisional) Mission Statement of CUTS CCIER after the discussions:

“ENABLING FAIR MARKETS BY PROMOTING EFFECTIVE PUBLIC POLICIES”

It was decided that a letter would be sent to the members of CUTS CCIER International Advisory Board, informing them that there was a felt need to change the Mission Statement of the centre to make it more outcome oriented, and inviting their reactions on the above-mentioned Mission Statement. Following their comments, etc., the new Mission Statement of the Centre would be formally adopted.

E. Other Issues

1. RSG suggested that a report entitled, ‘Glimpses of Consumer Protection in the World’, could be developed by culling out information already available with us in the CiRComp Country Papers. This report could then be used to impress funders to support – “The World Consumer Report”.
2. PSM suggested that it was crucial to scan the websites of prospective donors e.g., European Commission, World Bank, DFID, Asian Development Bank, African Development Bank, etc., once every week to keep an eye on important announcements, call for projects, events and other relevant information.